

# Our stance on ethics

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**RICS is committed to providing the most relevant guidance on ethics and conflicts of interest to its members. Peter Bolton King details how**

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Citing Aristotle's belief that there are no absolutes and that context is everything, [Dr Andrew Knight says](#) we all daily have to make ethical and moral decisions that are not always as clear-cut as we'd hope.

Personally, I entirely agree. But the very fact that all is not black and white means that, as professionals, we are expected to be able to consider, reflect and come to a reasoned decision that may differ from our personal beliefs. Indeed, the ability to put one's own emotions to one side is essential in reaching a balanced decision.

We recently commissioned independent research to look at what professionalism means to RICS firms and members. This found several factors to be highly important:

- ethical behaviour;
- resisting client pressure and forming an independent professional point of view;
- integrity;
- an understanding of conflicts of interest;
- knowing your limits; and
- lifelong learning.

These were judged to be just as important as technical ability ? behaving ethically is clearly at the heart of what it means to be a professional, and you could put yourself at considerable risk if you do not.

## Rules of conduct

The RICS [Rules of Conduct](#) and ethical principles have been in place for many years. At present, the former state that firms and members alike should observe the following:

- **Ethical behaviour:** Members shall at all times act with integrity and avoid conflicts of interest, and avoid any actions or situations that are inconsistent with their professional obligations.
- **Competence:** Members shall carry out their professional work with due skill, care and diligence and with proper regard for the technical standards expected of them.
- **Service:** Members shall carry out their professional work in a timely manner and with proper regard for the standards of service and customer care that are expected of them.

## Standard statements

The RICS [Global Professional and Ethical Standards](#) state that all members must be able to demonstrate that they:

- act with integrity;
- always provide a high standard of service;
- act in a way that promotes trust in the profession;
- treat others with respect; and
- take responsibility.

These statements, while valid, are fairly generic and principle-based. How do you actually put them into practice in any given situation? The feedback we received from the research indicated that professionals felt there was a need to reconsider the current requirements, providing more context and additional best practice guidance.

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The example of conflicts of interest is an interesting one. Our Rules of Conduct state that such situations should be avoided, but the interpretation of what constitutes a conflict is often difficult. For example, in the commercial property sphere, dual agency ? or what the press termed 'double dipping' ? has prompted much debate. This is the practice of an agent acting for both the seller and the buyer on an investment transaction.

If an information barrier was implemented in a firm to allow dual agency, did it truly ensure there was no conflict of interest? And regardless of how secure such a barrier may be, what is the public's perception of it? However legal and transparent this kind of arrangement is, the perception of it is often somewhat different.

## **Reputation at risk**

In this instance, RICS needed to be seen to take action on behalf of our professionals, or run the risk of serious reputational damage to us all.

So, after considerable international consultation, the global professional statement [Conflicts of interest](#) became mandatory from 1 January 2018. In the UK, a supplementary [professional statement](#) for those dealing with commercial investment among other matters, banned the practice of double dipping.

Some months on, feedback shows this publication has clearly helped to enhance our profession. And now we continue to act: our current ethical standards have not been reviewed since 2012, but in the meantime RICS has led the development of the [International Ethics Standards](#) (IES) as part of a coalition of almost 130 not-for-profit organisations in land, property, construction, infrastructure and related professions. We are committed to implementing the IES's 10 high-level principles.

We are now undertaking the task of consulting on a new professional statement on conduct and competence aimed at providing clear guidance on how to deal with ethical difficulties. The current RICS Rules of Conduct, our ethical standards and the IES will provide a basis for this. I look forward to all RICS professionals feeding back their comments on the draft when it is published.

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## **Further information**

- Related competencies include: [Ethics, Rules of conduct and professionalism](#)
- This feature is taken from the [RICS Construction Journal](#) (November/December 2018)
- Related categories include [Ethics and conduct](#)